

# EXHIBIT D

Page 1

1                   UNITED STATES DISTRICT COURT  
2                   SOUTHERN DISTRICT OF NEW YORK  
3                   CIVIL ACTION NO. 1:22-CV-8111-LGS  
4                   and  
5                   CIVIL ACTION NO. 1:22-CV-01243  
6  
7

8                   SPORT-BLX, INC., individually and derivatively  
9                   on behalf of its shareholders,

10                   Plaintiff,

11                   vs.

12                   MICHAEL M. SALERNO and CYPRESS  
13                   HOLDINGS, III, LP,

14                   Defendants.

15                   -----  
16                   CYPRESS HOLDINGS, III, LP,

17                   Plaintiffs,

18                   vs.

19                   GEORGE HALL,

20                   Defendants.

21                   -----  
22                   DEPOSITION OF JOSEPH DEPERIO

23                   THURSDAY, JULY 6, 2023  
24  
25



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1 A P P E A R A N C E S

2

3 CHIESA SHAHINIAN & GIANTOMASI PC

4 BY: ROSS PEARLSON, ESQ.

5 and

6 KELLY KORTES, ESQ.

7 105 Eisenhower Parkway

8 Roseland, New Jersey 07068

9

10 COLE SCHOTZ

11 BY: DAVID GOLD, ESQ.

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18

19

20 MORVILLO ABRAMOWITZ GRAND IASON & ANELLO PC

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1 LOEB & LOEB LLP  
2 BY: CHRISTIAN CARBONE, ESQ.  
3 345 Park Avenue  
4 New York, New York 10154

5

6

7 ALSO PRESENT:

8 FRANCIS RUCHALSKI (via Zoom)

9 VERITEXT VIDEOGRAPHER - HOWARD BRODSKY

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1 Q. What specifically were your duties and  
2 responsibilities at Millennium Group?

3 A. Originating, making investments, and  
4 then monitoring those investments.

5 Q. Why did you leave the Millennium Group?

6 A. I decided that I wanted to go back to  
7 Clinton Group.

8 Q. Was there any particular reason why?

9 A. No.

10 Q. First of all, who hired you the first  
11 time around to be part of the Clinton Group?

12 A. It was technically two people, Conrad  
13 Bringsjord and George Hall.

14 Q. In 2005 through 2007, where was the  
15 Clinton Group located?

16 A. 9 West 57th Street.

17 Q. When you came back in 2010, who hired  
18 you to come back to the Clinton Group at that time?

19 A. George Hall.

20 Q. And what is your understanding of  
21 Mr. Hall's relationship to the Clinton Group?

22 A. He's the CEO.

23 Q. Is he also the owner?

24 A. That's correct.

25 Q. Is he 100 percent owner of the Clinton

1 MR. SACK: When?

2 MR. GOLD: When?

3 MR. PEARLSON: The night before this  
4 e-mail.

5 MR. GOLD: Objection to form.

6 THE WITNESS: I don't know what Article  
7 VII, Section 1 is. I'm not sure what he's referring  
8 to there.

9

10 BY MR. PEARLSON:

11 Q. Do you recall what your discussion was  
12 with Mr. Salerno about the Sport-BLX fund that night?

13 MR. GOLD: Objection to form.

14 THE WITNESS: I don't remember.

15 THE VIDEOGRAPHER: Time is 14:37. We  
16 are off the record.

17

18 (Whereupon, a brief recess was taken.)

19

20 THE VIDEOGRAPHER: The time is 14:55.  
21 We are on the record.

22

23 BY MR. PEARLSON:

24 Q. Mr. DePerio, when did Sport-BLX first  
25 begin to use the space at 510 Madison Avenue?

1 A. Since its inception.

2 Q. Did it use it throughout 2019?

3 A. Yes.

4 Q. Were there any occupants of the space at  
5 that time?

6 A. Clinton Group.

7 Q. What about GlassBridge, did it also use  
8 the space in 2019?

9 A. Yes.

10 Q. When did GlassBridge begin making  
11 payments for its use of the space at 510 Madison  
12 Avenue?

13 A. I don't remember.

14 Q. Do you recall to whom it made those  
15 payments?

16 A. I don't.

17 Q. Who would know that from Sport-BLX?

18 MR. GOLD: Objection to form.

19 THE WITNESS: You asked me GlassBridge;  
20 didn't you?

21 MR. GOLD: You were saying GlassBridge.

22  
23 BY MR. PEARLSON:

24 Q. When did Sport-BLX begin paying for its  
25 use of space at 510 Madison Avenue?

1 A. Sometime in Q1 2019.

2 Q. To whom did it make those payments?

3 A. To Clinton Group.

4 Q. Did Clinton Group then forward those  
5 payments to the landlord?

6 A. I don't know.

7 THE VIDEOGRAPHER: Time is 14:56. We  
8 are off record.

9  
10 (Whereupon, a brief recess was taken off  
11 the record.)

12  
13 THE VIDEOGRAPHER: The time is 14:57.  
14 We are on the record.

15  
16 BY MR. PEARLSON:

17 Q. Did the Clinton Group then forward those  
18 payments to the landlord?

19 A. I don't know.

20 Q. Who from the Clinton Group would have  
21 been handling the rent payments?

22 A. I don't know.

23 Q. Do you know when Sport-BLX last made a  
24 rental payment for its use of the space at 510  
25 Madison?

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1 A. Probably around Q4 2019.

2 Q. Can you look at the document in front of  
3 you? Its been marked as DePerio-24 for  
4 identification. I'd like you to turn to what's  
5 Bates-stamped Clinton00034109 and let me know when  
6 you're there.

7 A. Okay. I'm there.

8 Q. And it says this is a sublease between  
9 World Gold Trust Services LLC and the Clinton Group  
10 dated August 31st, 2015?

11 A. I see that.

12 Q. Were you aware that the Clinton Group  
13 had a sublease with World Gold Trust Services LLC?

14 A. Yes, I was aware.

15 Q. When did you become aware of that  
16 relationship?

17 A. When I saw this in discovery.

18 Q. Before that, you didn't know who the  
19 landlord was?

20 A. I didn't know the details.

21 Q. If you could turn to page 2 of the  
22 document.

23 MR. GOLD: Of the consent to sublease?

24 MR. PEARLSON: If you look at paragraph  
25 2 of the agreement where it says, "rent amount."

1 MR. GOLD: There's a consent to sublease  
2 and a sublease.

3 MR. PEARLSON: We're on the sublease,  
4 34119.

5 MR. GOLD: Okay.

7 BY MR. PEARLSON:

8                   Q.         Mr. DePerio, were you aware of the  
9                   amount of rent that Clinton Group was paying for the  
10                  space at 510 Madison Avenue?

11 A. I knew directionally how much it was.

12 Q. When you say, "directionally," what was  
13 your knowledge?

14                   A.        I knew it was somewhere around a million  
15                   to 1,300,000.

Q. And you knew that in 2019?

17 A. That's correct.

18 Q. If you could turn to -- actually, if you  
19 look under paragraph 2, item D, does that reflect  
20 that there was a monthly rent of \$88,986.72 per month  
21 from January of 2019 through December 31st, 2019?

22 A. I see that.

23 Q. And was that -- did that comport with  
24 your recollection of approximately what Clinton Group  
25 was paying in rent for the entire space?

1 A. Yes, it does.

2 Q. And as per the sublease, it was the  
3 Clinton Group's obligation to pay that rent.

4 Correct?

5 MR. GOLD: Objection to form.

6 THE WITNESS: Correct.

7

8 BY MR. PEARLSON:

9 Q. If you could turn to Clinton0034123,  
10 paragraph 7. Before we get there, can you tell me,  
11 whose idea was it that Sport-BLX would operate out of  
12 the 510 Madison Avenue space?

13 A. It was always the business plan of the  
14 company when it first incepted.

15 Q. And that was a decision that you and  
16 Mr. Hall made as management of the company?

17 A. Correct.

18 Q. If you look at paragraph 7, it's  
19 entitled "No Assignment/Sublet." Do you see that?

20 A. I see that section seven, yes.

21 Q. I believe you indicated that you never  
22 saw this sublease until discovery. Is that correct?

23 A. Correct.

24 Q. Were you ever made aware that there was  
25 a provision or a prohibition against Clinton Group

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1 subleasing out space to any other occupants of the  
2 property?

3 MR. SACK: Objection to form.

4 MR. GOLD: Objection to form.

5 THE WITNESS: I take issue with that  
6 question because I also reviewed the overlease in  
7 discovery, and I believe there is a proviso that  
8 allows them to do that.

9

10 BY MR. PEARLSON:

11 Q. And when you say, "the overlease," the  
12 overlease between whom?

13 A. World Gold and the ultimate lender.

14 Q. In looking at paragraph 7, did you  
15 understand that the -- let me ask you, at the time,  
16 did you have any knowledge as to whether Sport-BLX  
17 could legally sublet the premise from Clinton Group  
18 without permission of the landlord?

19 MR. SACK: Objection to form.

20 MR. GOLD: Objection to form.

21 MR. SACK: Also calls for a legal  
22 opinion.

23 THE WITNESS: I have not seen these  
24 documents in 2019, so I wouldn't have known.

1 BY MR. PEARLSON:

2 Q. Did anyone make you aware that there was  
3 an issue with Sport-BLX occupying the space without  
4 permission from the landlord?

5 MR. SACK: Objection to form.

6 THE WITNESS: No.

7

8 BY MR. PEARLSON:

9 Q. Did Sport-BLX ever seek the permission  
10 of the landlord to occupy the premises of 610 Madison  
11 Avenue?

12 A. I think that's the wrong number.

13 Q. 510 Madison Avenue.

14 A. I'm not aware of that.

15 MR. PEARLSON: Can we show him  
16 DePerio-25?

17

18 BY MR. PEARLSON:

19 Q. Before we look at 25, Mr. DePerio, were  
20 you ever aware at any time whether Sport-BLX could be  
21 held responsible for the entire rent of the premises  
22 by the landlord?

23 MR. SACK: Objection to form.

24 THE WITNESS: I'm not aware of anything  
25 like that.

1

2 BY MR. PEARLSON:

3 Q. If we could look at DePerio-25. Can you  
4 tell us what that document is?

5 A. It looks like financial statements for  
6 Sport-BLX.

7 MR. GOLD: I ask you to page through the  
8 whole thing.

9 THE WITNESS: I did.

10

11 BY MR. PEARLSON:

12 Q. Do you know who prepared -- the first  
13 two pages are a balance sheet and income statement  
14 for Sport-BLX. Do you know who prepared that?

15 A. I believe Francis Ruchalski did.

16 Q. And these are reflecting -- it's a  
17 balance sheet and income statement for the year  
18 ending December 31st, 2019?

19 A. Correct.

20 Q. If you could look at the balance sheet.  
21 My first question is: It says, "other assets," and  
22 then it says, "investments-racehorses," and there's  
23 \$220,000 for that item. What does that item reflect,  
24 to your knowledge?

25 MR. GOLD: Objection to form.

1                   THE WITNESS: I think my recollection  
2 was that to assist in our proof of concept, we  
3 acquired certain interest in racehorses with the idea  
4 that we would syndicate them and sell them on the  
5 Sport-BLX platform.

6

7                   BY MR. PEARLSON:

8                   Q.        And those were purchases made by  
9 Sport-BLX, those assets?

10                  A.        Correct.

11                  Q.        Does Sport-BLX still hold those assets?

12                  A.        I don't know.

13                  Q.        In terms of long-term liabilities, it  
14 says, "notes payable," and it has \$2 million. Do you  
15 know what that's referencing?

16                  A.        If memory serves, that's probably the  
17 demand note to the benefit of GlassBridge.

18                  Q.        And then under "net income," it has a  
19 negative number. Do you see that?

20                  A.        Net income, yes.

21                  Q.        And that reflects the negative net  
22 income that Sport-BLX had at the end of December  
23 2019. Correct?

24                  A.        I don't know because this is a balance  
25 sheet and not an income statement. It could have

1       been an accrual. But looking at the second page, I  
2       could confirm that it was a net income.

3           Q.       So that was a negative net income that  
4       Sport-BLX had at the end of December 31st, 2019?

5           A.       Correct.

6           Q.       Do you see that in the balance sheet  
7       there's an item for salaries and benefits? Do you  
8       see that?

9           A.       On the balance sheet?

10          Q.       On the income statement, 000518.

11          A.       I do.

12          Q.       Does that reflect the amount that was  
13       spent in 2019 on salaries and benefits for Sport-BLX  
14       employees?

15          A.       Yes.

16          Q.       And then it has another item, travel and  
17       entertainment, \$349,302.78?

18          A.       I do see that.

19          Q.       And that's T&E expenses for the year?

20          A.       The acronym, that's correct.

21          Q.       And then for rent taxes, it has  
22       \$560,035.41. Do you see that?

23          A.       I do see that.

24          Q.       And is that what Sport-BLX paid in rent  
25       for the year December 31st, 2019?

1           A.       Well, when I see rent and rent taxes, I  
2       say it's a facility expense, so yes, it was for the  
3       facility.

4           Q.       And how many employees did Sport-BLX  
5       have in total, full-time employees in 2019?

6           A.       At the end of 2019, I don't remember.

7           Q.       Do you know how many full-time employees  
8       came into the office every day?

9           MR. SACK: At any time during the year?

10           MR. PEARLSON: During 2019.

11           MR. GOLD: Objection to form.

12           THE WITNESS: Directionally, I'd be  
13       guessing, so I don't remember.

14  
15       BY MR. PEARLSON:

16           Q.       How about in terms -- was the facility  
17       also used by Sport-BLX for visits from agents?

18           A.       Yes. So the facility that we use was  
19       used for a number of things, which I think I've  
20       answered already, one of which was for ConsenSys's  
21       build. At any point, they would have ten to 15  
22       engineers on premise all during their engagement. We  
23       also used the meeting area space to meet with  
24       potential investors, potential agents, wealth  
25       managers of athletes. We had a number of interns

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1 that were working out of our office. We had a number  
2 of consultants working out of our office as well.

3 Q. My question is just in terms of agents.  
4 How many agents came and visited Sport-BLX's office  
5 in 2019?

6 A. I don't remember.

7 Q. How many athletes came to visit  
8 Sport-BLX in those offices?

9 A. I don't remember.

10 Q. Did those visits result in any signed  
11 contract with athletes?

12 A. We had a signed deal with Peter  
13 Washington.

14 Q. Was that in 2019?

15 A. I don't remember when we signed that  
16 deal.

17 Q. I believe I asked this question. If I  
18 did, I apologize. Do you know who at the Clinton  
19 Group was responsible for paying the rent to the  
20 landlord?

21 MR. GOLD: Objection to form.

22 THE WITNESS: I don't. You did ask it  
23 already, but I don't know the answer.

24  
25 BY MR. PEARLSON:

1                   Q.        Do you recall becoming aware at some  
2                   time in 2019 that the Clinton Group had fallen behind  
3                   in its rent obligations to the landlord?

4                   MR. SACK: Objection to form.

5                   THE WITNESS: Ask that again.

6

7                   BY MR. PEARLSON:

8                   Q.        Did you become aware at some point in  
9                   2019 that the Clinton Group had fallen behind in its  
10                  rent obligations to the landlord?

11                  A.        I don't think I was aware of that in  
12                  2019.

13                  Q.        Did you ever hear that the Clinton Group  
14                  was being evicted for failure to pay rent?

15                  MR. SACK: Objection to form.

16                  THE WITNESS: So I heard that Clinton  
17                  decided to leave in December of 2019, but I didn't  
18                  know the circumstances behind that.

19

20                  BY MR. PEARLSON:

21                  Q.        Did Mr. Hall ever advise you that the  
22                  Clinton Group had stopped paying rent to the  
23                  landlord?

24                  MR. GOLD: Objection to form.

25                  MR. SACK: Objection to form.



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1 board minutes of Sport-BLX dated August 19th, 2019.  
2 It shows that you were in attendance. Do you see  
3 that?

4 A. I do see it.

5 Q. If you could turn to the second page of  
6 the document, sir.

7 A. Yes, I'm there, yes.

8 Q. First of all, there's a paragraph under  
9 "company's offices space requirements and hiring  
10 projections." Do you see that?

11 A. I've read it.

12 Q. Did anyone mention in that board meeting  
13 that the Clinton Group had stopped making rent  
14 payments to the landlord months before?

15 MR. SACK: Objection to form.

16 MR. GOLD: Objection to form.

17 THE WITNESS: I don't recall it.

18

19 BY MR. PEARLSON:

20 Q. Do you recall at that meeting  
21 Mr. Salerno asking, "Where is the lease?"

22 A. I know he asked for a lease multiple  
23 times, but I don't know of the specifics of this  
24 meeting.

25 Q. At some point, did someone tell him that

1                   there was no lease for the premises?

2                   A.        I think we told them a number of times  
3                   that there was no lease.

4                   Q.        Did anyone ever give him the lease  
5                   between the Clinton Group and World Trust for the  
6                   premises?

7                   A.        World Gold. I don't know. I did not  
8                   because I didn't have it.

9                   Q.        Did anyone advise him that the \$500,000  
10                  was half of the rent for the space?

11                  MR. GOLD: Objection to form.

12                  THE WITNESS: I believe I mentioned that  
13                  on two occasions, once in our diligence meeting where  
14                  he brought our entire data room with him, and  
15                  secondly at Char Steakhouse on the 28th when I told  
16                  him if he had any discomfort with the lease and who  
17                  it was being paid to, that he should not fund.

18

19                  BY MR. PEARLSON:

20                  Q.        Do you recall telling him --

21                  A.        Yeah. We went through that on two  
22                  occasions because we talked about how much space we  
23                  were using and the formulation of the amount was  
24                  roughly half the space, and to be frank, the  
25                  conference room space has a premium to it. I

1 believed we were getting a good deal.

2 Q. And did you ever look for any other  
3 space for use by Sport-BLX?

4 MR. GOLD: Objection to form. Him  
5 personally?

6

7 BY MR. PEARLSON:

8 Q. Or Sport-BLX. Are you aware of  
9 Sport-BLX looking for any other space?

10 A. It was never a part of the business  
11 plan. Let me tell you why --

12 Q. Mr. DePerio, can you please answer my  
13 question? My question is: Did Sport-BLX look for  
14 any other space, other than 510 Madison Avenue, to  
15 operate out of?

16 A. No.

17 MR. PEARLSON: Can we show him 27?

18

19 BY MR. PEARLSON:

20 Q. Mr. DePerio, I'm showing you what has  
21 been marked as DePerio-27 for identification. This  
22 is an e-mail from Michael Salerno to George Hall  
23 entitled "Attachments: Request For Information."  
24 You're not on the cover e-mail. Correct?

25 A. Correct, I'm not on the cover e-mail.